

EXHIBIT 1

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Page 1

1 LaVIA
2 IN THE UNITED STATES DISTRICT COURT
3 FOR THE MIDDLE DISTRICT OF PENNSYLVANIA
4 Case No. 3:17-cv-00101
5 - - - - -
6
7 CONSUMER FINANCIAL PROTECTION BUREAU,
8 Plaintiff,
9 vs.
10 NAVIENT CORPORATION, et al.,
11 Defendants.
12 _____/

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14
15 CONFIDENTIAL
16 PURSUANT TO THE PROTECTIVE ORDER
17
18 VIDEOTAPED DEPOSITION OF CYNTHIA BATTLE
19 Washington, D.C.
20 Wednesday, May 23, 2018
21
22

23 Reported by:
24 SUSAN ASHE, RMR, CSR, CRR
25 Job No.: 142320

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<p>1 BATTLE</p> <p>2 Wednesday, May 23, 2018</p> <p>3 9:18 a.m.</p> <p>4</p> <p>5</p> <p>6 Videotaped deposition of CYNTHIA BATTLE,</p> <p>7 taken on behalf of Defendant, at WILMERHALE, 1875</p> <p>8 Pennsylvania Avenue, Northwest, Washington, D.C.,</p> <p>9 beginning at 9:18 a.m., on Wednesday, May 23, 2018,</p> <p>10 before Susan Ashe, RMR, CSR, CRR.</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 BATTLE</p> <p>2 ALSO PRESENT:</p> <p>3 FOR THE WITNESS:</p> <p>4 UNITED STATES ATTORNEY'S OFFICE,</p> <p>5 DISTRICT OF COLUMBIA</p> <p>6 BY: JOSHUA KOLSKY, ESQ.</p> <p>7 555 4th Street, NW</p> <p>8 Washington, DC 20530</p> <p>9 - and -</p> <p>10 U.S. DEPARTMENT OF EDUCATION</p> <p>11 BY: BRIAN SIEGEL, ESQ.</p> <p>12 400 Maryland Avenue, SW</p> <p>13 Washington, DC 20202</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19 David Voigtsberger, Videographer</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
Page 3	Page 5
<p>1 BATTLE</p> <p>2 APPEARANCE OF COUNSEL:</p> <p>3 FOR PLAINTIFF:</p> <p>4 CONSUMER FINANCIAL PROTECTION BUREAU</p> <p>5 BY: ANDREA MATTHEWS, ESQ.</p> <p>6 DAVID DUDLEY, ESQ.</p> <p>7 1700 G Street, NW</p> <p>8 Washington, DC 20552</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14 FOR DEFENDANTS:</p> <p>15 WILMERHALE</p> <p>16 BY: DANIEL KEARNEY, ESQ.</p> <p>17 GARY DYAL, ESQ.</p> <p>18 1875 Pennsylvania Avenue, NW</p> <p>19 Washington, DC 20006</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 BATTLE</p> <p>2 INDEX</p> <p>3 Deposition of CYNTHIA BATTLE</p> <p>4 May 23, 2018</p> <p>5</p> <p>6 Examination By: Page</p> <p>7 Mr. Kearney 8, 172</p> <p>8 Ms. Matthews 108, 189</p> <p>9</p> <p>10 BATTLE</p> <p>11 Exhibit No. Marked</p> <p>12 Exhibit 300 Subpoena 12</p> <p>13 Exhibit 301 Regulations Excerpt 30</p> <p>14 Exhibit 302 Business Operations</p> <p>15 Change Request Form</p> <p>16 NAV-00710092 and -093 51</p> <p>17 Exhibit 303 Regulations Excerpt 57</p> <p>18 Exhibit 304 Business Operations</p> <p>19 Change Request Form</p> <p>20 NAV-00005283 and -284 62</p> <p>21 Exhibit 305 Federal Loan Servicing Update</p> <p>22 Session #7</p> <p>23 NAV-00701018 with Attachment 65</p> <p>24</p> <p>25</p>

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<p style="text-align: right;">Page 26</p> <p>1 BATTLE</p> <p>2 servicers to ensure that servicers are providing</p> <p>3 good customer service to federal student loan</p> <p>4 borrowers?</p> <p>5 A. Yes, to a degree.</p> <p>6 Q. What types of requirements would those be?</p> <p>7 A. So we may -- depending on the area that we</p> <p>8 want to have the servicers target, we may describe</p> <p>9 how we want the servicers to interact with the</p> <p>10 customer.</p> <p>11 Likewise, as part of a change that goes</p> <p>12 in, we may request to see a servicer's</p> <p>13 communications or a servicer's procedures for how</p> <p>14 they interact with the customer.</p> <p>15 Q. Are the Department's regular</p> <p>16 communications with servicers also designed to</p> <p>17 ensure that servicers are providing good customer</p> <p>18 service?</p> <p>19 A. Okay --</p> <p>20 Q. Let me --</p> <p>21 A. -- yeah.</p> <p>22 Q. -- restate it.</p> <p>23 A. Okay.</p> <p>24 Q. So you said the Department imposes certain</p> <p>25 requirements on servicers to ensure that they're</p>	<p style="text-align: right;">Page 28</p> <p>1 BATTLE</p> <p>2 change that went in specifically about a repayment</p> <p>3 plan, we may have requirements in that -- in that</p> <p>4 document that describe our expectations for the</p> <p>5 servicer around customer service.</p> <p>6 But I don't know whether I can say that</p> <p>7 through all communications that we have with the</p> <p>8 servicer there is an overarching theme or response</p> <p>9 around customer service.</p> <p>10 So it really depends on the topic that</p> <p>11 we're addressing.</p> <p>12 Q. Okay. Does the Department impose</p> <p>13 requirements on servicers that are designed to help</p> <p>14 borrowers avoid default?</p> <p>15 A. Yes. To some degree, yes.</p> <p>16 Q. Are you able to say, generally, what those</p> <p>17 requirements might be?</p> <p>18 A. So, specifically, can you kind of -- what</p> <p>19 kind of requirements are you referring to around</p> <p>20 default?</p> <p>21 Q. Is one of the Department's goal in having</p> <p>22 private servicers service loans to help borrowers</p> <p>23 avoid default?</p> <p>24 A. Sure -- yes.</p> <p>25 Q. And what does the Department do, in its</p>
<p style="text-align: right;">Page 27</p> <p>1 BATTLE</p> <p>2 providing good customer service.</p> <p>3 Are the Department's regular</p> <p>4 communications with servicers designed to make sure</p> <p>5 that servicers are abiding by those requirements?</p> <p>6 A. I guess I -- can you kind of give me a</p> <p>7 little....</p> <p>8 Q. Sure. So you described daily</p> <p>9 interactions --</p> <p>10 A. Yes.</p> <p>11 Q. -- between the Department and servicers.</p> <p>12 A. Um-hum.</p> <p>13 Q. What are those interactions -- and you</p> <p>14 also said that there are requirements on servicers</p> <p>15 to provide good customer service.</p> <p>16 To what extent do those daily interactions</p> <p>17 involve discussions about whether servicers are</p> <p>18 providing good customer service to borrowers?</p> <p>19 A. So can I kind of frame this in context?</p> <p>20 Q. Sure.</p> <p>21 A. Okay. So our -- my specific area, the</p> <p>22 staff in my group, we're responsible for many of</p> <p>23 the -- either the legislative changes, the business</p> <p>24 decisions, requirements around that.</p> <p>25 So if I put it in context of, say, a</p>	<p style="text-align: right;">Page 29</p> <p>1 BATTLE</p> <p>2 communications with servicers and in the</p> <p>3 requirements it imposes on servicers, to achieve</p> <p>4 that goal?</p> <p>5 A. So in -- there may be communications</p> <p>6 about -- there may be communications about how we</p> <p>7 want a particular servicer to address, say,</p> <p>8 repayment plans.</p> <p>9 So I would say, specifically, we would</p> <p>10 look to the servicer to offer various repayment</p> <p>11 plans as part of keeping default down.</p> <p>12 Q. Do ED's -- sorry. Does the</p> <p>13 Department's -- strike that.</p> <p>14 Does the Department impose requirements on</p> <p>15 servicers to make certain disclosures to direct loan</p> <p>16 borrowers?</p> <p>17 A. Yes.</p> <p>18 Q. What is the purpose of the Department's</p> <p>19 disclosure requirements to borrowers?</p> <p>20 A. To ensure that the borrower is informed</p> <p>21 about the terms of their repayment, the actual</p> <p>22 repayment plan, the actual terms of their agreement</p> <p>23 to repay that loan.</p> <p>24 Q. Does the Department impose -- sorry,</p> <p>25 strike that.</p>

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<p>1 BATTLE</p> <p>2 Does the Department require servicers to</p> <p>3 send notices to borrowers who are entering repayment</p> <p>4 on their direct loans?</p> <p>5 A. Yes.</p> <p>6 Q. What information do those disclosures</p> <p>7 contain?</p> <p>8 A. The notices themselves could vary.</p> <p>9 But it would -- again, most of the</p> <p>10 servicers are providing terms and conditions of --</p> <p>11 you said -- I'm sorry, you said "repayment notices."</p> <p>12 Q. Right.</p> <p>13 A. So it's going to describe the repayment</p> <p>14 options that the borrower would have if they're</p> <p>15 entering into repayment, as well as some of the</p> <p>16 terms of those repayment plans.</p> <p>17 MR. KEARNEY: Okay. I was going to</p> <p>18 introduce this as 301. Right?</p> <p>19 (Whereupon, Defendants Exhibit 301 was</p> <p>20 marked for identification.)</p> <p>21 Q. Ms. Battle, do you recognize this</p> <p>22 document?</p> <p>23 A. Yes -- yes.</p> <p>24 Q. What is it?</p> <p>25 A. It's part of the regulations that dictate</p>	<p>1 BATTLE</p> <p>2 Is that right?</p> <p>3 A. Yes.</p> <p>4 Q. Can you turn to page -- what's numbered</p> <p>5 page 35 in this exhibit.</p> <p>6 And if you look down the left-hand column</p> <p>7 on 34, there's a Roman numeral 12.</p> <p>8 Do you see that? It begins (reading): A</p> <p>9 description of all...?</p> <p>10 A. A reminder?</p> <p>11 Q. Sorry. Do you see little Roman numeral</p> <p>12 12?</p> <p>13 A. Oh, you're there -- yes.</p> <p>14 Q. It says (reading): A description of all</p> <p>15 the repayment plans...?</p> <p>16 A. Yes.</p> <p>17 Q. Could you read that sentence.</p> <p>18 A. (Reading:) A description of all repayment</p> <p>19 plans available to the borrower and a statement that</p> <p>20 the borrower may change plans during the repayment</p> <p>21 period at least annually.</p> <p>22 Q. Is this information required to be</p> <p>23 included in the repayment disclosure under this</p> <p>24 regulation?</p> <p>25 A. Yes.</p>
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<p>1 BATTLE</p> <p>2 our loan program.</p> <p>3 Q. And do you see under the heading on this</p> <p>4 document, it says a little "a," and then "Repayment</p> <p>5 information, Disclosures at or prior to repayment"?</p> <p>6 A. Where are you looking? Which subtopic are</p> <p>7 you -- where are you?</p> <p>8 Q. This is under -- sorry. It says</p> <p>9 "Disclosure requirements for lenders," in bold on</p> <p>10 the right side.</p> <p>11 A. I see that. Yes.</p> <p>12 Q. And then in the first paragraph, it says</p> <p>13 "Repayment information, Disclosures at or prior to</p> <p>14 repayment"?</p> <p>15 A. Um-hum, yes.</p> <p>16 Q. Can you just read the first sentence?</p> <p>17 A. The first sentence?</p> <p>18 Q. Yep.</p> <p>19 A. (Reading:) The lender must disclose the</p> <p>20 information described in paragraph (a)(2) of this</p> <p>21 section in simple and understandable terms, in a</p> <p>22 statement provided to the borrower at or prior to</p> <p>23 the beginning of the repayment period.</p> <p>24 Q. And the sentence you just read references</p> <p>25 "paragraph (a)(2)."</p>	<p>1 BATTLE</p> <p>2 Q. If you turn back to 34, it says -- if you</p> <p>3 look under the Heading 2 --</p> <p>4 A. Under the Heading 2?</p> <p>5 Q. Yes. Sorry. It says....</p> <p>6 Below the paragraph we read previously, it</p> <p>7 says (reading): (2) The lender shall provide the</p> <p>8 borrower with....</p> <p>9 Do you see that?</p> <p>10 A. Yes, I do.</p> <p>11 Q. And then there's the following paragraphs</p> <p>12 about what must be provided with the statement.</p> <p>13 Correct?</p> <p>14 A. Yes.</p> <p>15 Q. Why does it say the lender shall provide</p> <p>16 the borrower with that information?</p> <p>17 A. Well, this specific regulation is</p> <p>18 targeting at FFEL -- but we would have a comparable</p> <p>19 one in Direct Loan.</p> <p>20 Q. Okay. Do you know how the comparable one</p> <p>21 in Direct Loan -- do you know where it appears?</p> <p>22 A. It would be 685. I'm not sure of the</p> <p>23 exact reference.</p> <p>24 But it should be comparable to what's</p> <p>25 here.</p>

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<p>1 BATTLE</p> <p>2 So if it's a notice specifically around</p> <p>3 having trouble making payments, that may not be a</p> <p>4 required notice.</p> <p>5 Q. Okay.</p> <p>6 A. But the servicers would be required to</p> <p>7 send out a delinquency notice to let borrowers know</p> <p>8 that they are behind in their payments, if that's</p> <p>9 the case.</p> <p>10 Q. Okay. So let's look on page 36 of this</p> <p>11 same exhibit.</p> <p>12 A. Okay. Sure.</p> <p>13 Q. The left-hand column, numbered 5,</p> <p>14 "Required disclosures for borrowers who are 60-days</p> <p>15 delinquent in making payments on a loan."</p> <p>16 A. Yes.</p> <p>17 Q. Is that what you were describing?</p> <p>18 A. Yes.</p> <p>19 Q. Does this or a similar regulation apply to</p> <p>20 direct loan servicers?</p> <p>21 A. I believe so, yes.</p> <p>22 Q. Can you describe, generally, what this</p> <p>23 notice requires?</p> <p>24 A. So a borrower that has become</p> <p>25 delinquent -- so they have been -- they're not able</p>	<p>1 BATTLE</p> <p>2 Q. Is that description required to be</p> <p>3 included in the 60-day delinquency notice?</p> <p>4 A. So that could -- yes, it could possibly</p> <p>5 be -- I think there's a comparable requirement for</p> <p>6 that.</p> <p>7 So, yes, it would contain some information</p> <p>8 about forbearance and deferment options.</p> <p>9 Q. Do you know why the requirement</p> <p>10 specifically calls out deferment and forbearance?</p> <p>11 A. Because, again, it's a tool that the</p> <p>12 servicers can use to cure a default or a</p> <p>13 delinquency.</p> <p>14 Q. Are you familiar with "income-driven</p> <p>15 repayment"?</p> <p>16 A. I am, yes.</p> <p>17 Q. What is "income-driven repayment"?</p> <p>18 A. "Income-driven repayment" is a repayment</p> <p>19 plan that uses a borrower's income and family size</p> <p>20 to make a payment.</p> <p>21 So it uses their income in order for them</p> <p>22 to make payments on their student loans.</p> <p>23 Q. And is there only one income-driven</p> <p>24 repayment program?</p> <p>25 A. There are four different income-driven</p>
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<p>1 BATTLE</p> <p>2 to make payments beyond -- they are not current on</p> <p>3 their payments -- the servicer would be required to</p> <p>4 send them a delinquency notice that describes the</p> <p>5 current status of their loan.</p> <p>6 Q. Do you know what the notice -- well, you</p> <p>7 said the notice must describe the current status of</p> <p>8 their loan.</p> <p>9 Is there anything else the notice needs to</p> <p>10 contain?</p> <p>11 A. The notice may have repayment options.</p> <p>12 And the notice may contain just</p> <p>13 information about -- well, the notice generally</p> <p>14 always contains a note that, the borrower to contact</p> <p>15 the servicer for options.</p> <p>16 Q. Could you look on this same paragraph, 5,</p> <p>17 for this delinquency notice, do you see a paragraph</p> <p>18 with a heading, capital "C," "A description of the</p> <p>19 options available to the borrower..."?</p> <p>20 A. Yes.</p> <p>21 Q. Can you read that paragraph to me.</p> <p>22 A. (Reading:) (C) A description of the</p> <p>23 options available to the borrower to avoid default,</p> <p>24 including deferment and forbearance and any fees and</p> <p>25 costs associated with those options.</p>	<p>1 BATTLE</p> <p>2 repayment plans.</p> <p>3 Q. Does this delinquency notice require</p> <p>4 servicers to disclose information about</p> <p>5 income-driven repayment plans?</p> <p>6 A. Specifically, this reference, no, it does</p> <p>7 not -- it does not require the servicers to disclose</p> <p>8 information about repayment plans.</p> <p>9 Q. Do you know how long this or a comparable</p> <p>10 regulation for direct loan borrowers has been in</p> <p>11 place?</p> <p>12 A. I believe it's been in place since the</p> <p>13 inception.</p> <p>14 Q. Does the Department impose requirements on</p> <p>15 schools to counsel or provide disclosures to</p> <p>16 borrowers in connection with their direct loans?</p> <p>17 A. No, not that I'm aware of.</p> <p>18 Q. I'm going to ask you about contractual</p> <p>19 requirements on direct loan servicers.</p> <p>20 A. Sure.</p> <p>21 Q. How does the Department go about the</p> <p>22 process of deciding what contractual requirements to</p> <p>23 impose on its private servicers in the Direct Loan</p> <p>24 Program?</p> <p>25 A. Could you be a little bit more specific?</p>

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<p style="text-align: right;">Page 78</p> <p>1 BATTLE</p> <p>2 Q. No; that's good. Thank you.</p> <p>3 A. Um-hum.</p> <p>4 Q. I know you're not familiar with this</p> <p>5 particular e-mail exchange, but is this type of</p> <p>6 communication generally the type of communication</p> <p>7 you were referring to earlier when you described</p> <p>8 daily communication between the Department and its</p> <p>9 servicers?</p> <p>10 A. It could be, sure.</p> <p>11 Servicers absolutely would exchange</p> <p>12 specific issues or concerns or follow-up directly</p> <p>13 with their operations counterparts.</p> <p>14 Q. This third sentence you read referred to a</p> <p>15 "graphical representation of the communication</p> <p>16 process."</p> <p>17 A. Um-hum.</p> <p>18 Q. Can you turn over to the next two pages.</p> <p>19 A. Um-hum.</p> <p>20 Q. Do you see the....</p> <p>21 This is -- well, the page marked 1 of 2</p> <p>22 says at the top "Determine the Root Cause of</p> <p>23 Financial Difficulty."</p> <p>24 A. Correct.</p> <p>25 Q. Do you see that?</p>	<p style="text-align: right;">Page 80</p> <p>1 BATTLE</p> <p>2 Q. Does a borrower have to be current on his</p> <p>3 or her direct loans to enter income-driven</p> <p>4 repayment?</p> <p>5 A. No.</p> <p>6 Q. So is it possible for a borrower who is</p> <p>7 delinquent on a loan to enter income-driven</p> <p>8 repayment?</p> <p>9 A. Yes.</p> <p>10 Q. And how does that occur?</p> <p>11 A. So the....</p> <p>12 It would occur just the way a borrower</p> <p>13 would be current -- a borrower that is current.</p> <p>14 So a borrower that requests an income</p> <p>15 plan -- or any repayment plan, for that matter --</p> <p>16 would go through the steps in order to -- the</p> <p>17 servicer would go through the steps to determine</p> <p>18 eligibility.</p> <p>19 And they would likely cure the -- any past</p> <p>20 delinquency with an administrative forbearance.</p> <p>21 Q. Okay. How do borrowers apply for</p> <p>22 income-driven repayment plans?</p> <p>23 A. So there is a couple of different ways the</p> <p>24 borrower would apply.</p> <p>25 So the borrower can contact their servicer</p>
<p style="text-align: right;">Page 79</p> <p>1 BATTLE</p> <p>2 A. Yes.</p> <p>3 Q. And then page 2 of 2 says "Repayment</p> <p>4 Options Guide."</p> <p>5 A. Yes.</p> <p>6 Q. Do you see that?</p> <p>7 A. Yes.</p> <p>8 Q. Do you recognize this --</p> <p>9 A. I do not.</p> <p>10 Q. -- document?</p> <p>11 A. I do not.</p> <p>12 Q. Why...? Strike that.</p> <p>13 Do you know why the Department would be</p> <p>14 interested in information about how servicers like</p> <p>15 Navient communicate with borrowers about root causes</p> <p>16 of financial difficulty and repayment options?</p> <p>17 A. Well, we would care because this would be</p> <p>18 the result of maybe a change or a discussion -- or</p> <p>19 we are trying to get a result, we're trying to make</p> <p>20 sure -- ensure that the servicers are really</p> <p>21 counseling borrowers appropriately on repayment</p> <p>22 options before applying a forbearance.</p> <p>23 Q. I'm going to ask you a few questions about</p> <p>24 income-driven repayment.</p> <p>25 A. Sure.</p>	<p style="text-align: right;">Page 81</p> <p>1 BATTLE</p> <p>2 and maybe go through the paper process in order to</p> <p>3 apply, or more readily available and more efficient</p> <p>4 would be the online tool on StudentLoans.gov.</p> <p>5 So we have a tool that borrowers can</p> <p>6 access electronically to apply for IDR.</p> <p>7 Q. And is StudentLoans.gov a Department of</p> <p>8 Education website?</p> <p>9 A. It is.</p> <p>10 It is a Department of Education's website</p> <p>11 that's maintained by a contractor, just to be clear</p> <p>12 about that.</p> <p>13 Q. Okay. Is the contractor one of the</p> <p>14 Department's servicers in the Direct Loan Program?</p> <p>15 A. It is not.</p> <p>16 Q. Okay. Do borrowers have to provide proof</p> <p>17 of income in connection with their applications for</p> <p>18 income-driven repayment?</p> <p>19 A. Yes, they would.</p> <p>20 Q. How do they prove -- how do borrowers who</p> <p>21 are applying prove their income?</p> <p>22 A. So currently in the tool that's on</p> <p>23 StudentLoans.gov, there is an interface directly</p> <p>24 with the IRS.</p> <p>25 And information is transferred from the</p>

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<div>1 BATTLE</div> <div>2 Likewise, we may conduct tests or pilots</div> <div>3 to determine ways or identify ways that we can</div> <div>4 improve our operational processes.</div> <div>5 Q. Can you give an example of a test or pilot</div> <div>6 of the kind you just described?</div> <div>7 A. So I remember us having conversations</div> <div>8 about how to improve the recertification process for</div> <div>9 income-driven.</div> <div>10 And there was a period of time where we</div> <div>11 conducted a couple of different pilots to determine</div> <div>12 how we can improve recertification rates, how could</div> <div>13 we improve borrowers' understanding of the income</div> <div>14 plans.</div> <div>15 Q. What about with respect to initial</div> <div>16 enrollment, were there any pilots or tests conducted</div> <div>17 by the Department for that?</div> <div>18 A. Specifically about initial enrollments, we</div> <div>19 likely had a number of campaigns, enrollment</div> <div>20 campaigns, that just -- that's more around awareness</div> <div>21 of the plans as it is improvement.</div> <div>22 So I guess I draw a distinction between</div> <div>23 discussions around how to improve and make things</div> <div>24 more efficient versus campaigns or outreach</div> <div>25 activities where we're making borrowers aware of</div>	<div>1 BATTLE</div> <div>2 application over the phone?</div> <div>3 MR. KOLSKY: I'm going to object to</div> <div>4 the extent you're asking for deliberative</div> <div>5 information about the deliberative process of the</div> <div>6 agency.</div> <div>7 Any predecisional deliberative</div> <div>8 information, that should not be disclosed because</div> <div>9 that's privileged.</div> <div>10 Q. Has the Department identified any elements</div> <div>11 of the application process that present obstacles to</div> <div>12 borrowers enrolling in IDR?</div> <div>13 A. So could you be more specific?</div> <div>14 Q. Does the Department from time to time</div> <div>15 assess the efficacy of its IDR enrollment processes?</div> <div>16 A. I would say yes.</div> <div>17 Q. Informally or formally?</div> <div>18 A. Yes, I would say yes.</div> <div>19 Q. In reviewing IDR enrollment processes, has</div> <div>20 the Department identified any elements of the</div> <div>21 process that pose potential obstacles to increasing</div> <div>22 IDR enrollment or to a borrower completing IDR</div> <div>23 enrollment?</div> <div>24 A. I would say yes.</div> <div>25 Q. Can you give an example of an obstacle?</div>
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<div>1 BATTLE</div> <div>2 their options.</div> <div>3 Q. What might those campaigns or outreach</div> <div>4 activities consist of?</div> <div>5 A. It could be e-mail campaigns.</div> <div>6 It could be servicer-led kinds of outreach</div> <div>7 activities, all around options for IDR.</div> <div>8 Q. So some of these campaigns -- did some of</div> <div>9 these campaigns involve servicer participation?</div> <div>10 A. Most of the campaigns would involve the</div> <div>11 servicers, because any campaign that the Department</div> <div>12 initiates is going to impact the servicer.</div> <div>13 So we generally did campaigns in</div> <div>14 partnership with the servicers so that they were</div> <div>15 aware of volumes that were coming in.</div> <div>16 Q. Did the Department also communicate</div> <div>17 directly with borrowers in connection with these</div> <div>18 campaigns?</div> <div>19 A. That is correct.</div> <div>20 Q. You said earlier that the IDR application</div> <div>21 process cannot be completed over the phone.</div> <div>22 Is that right?</div> <div>23 A. That is right.</div> <div>24 Q. Did the Department ever consider</div> <div>25 implementing a process for completing IDR</div>	<div>1 BATTLE</div> <div>2 A. An example would be the recertification</div> <div>3 process and how borrowers -- under the income plans,</div> <div>4 the borrower is required to provide documentation</div> <div>5 annually, and sometimes borrowers have challenges</div> <div>6 either providing or understanding their requirements</div> <div>7 around those annual recertification processes.</div> <div>8 Q. What about providing proof of income; is</div> <div>9 that sometimes an obstacle for borrowers applying</div> <div>10 for IDR?</div> <div>11 A. I don't know whether I could speak to it</div> <div>12 as a general problem -- and that was partly why the</div> <div>13 implementation of the tool was so critical, because</div> <div>14 it took away the need for borrowers to provide paper</div> <div>15 via mail.</div> <div>16 Q. I'm sorry. Can you explain -- perhaps I</div> <div>17 missed it -- and if I did, I apologize -- why</div> <div>18 exactly can -- is it not possible to complete IDR</div> <div>19 enrollment over the phone with a servicer?</div> <div>20 A. Because there are income requirements,</div> <div>21 there's documentation, there is income requirements</div> <div>22 that are required as part of the application.</div> <div>23 Q. I see. So the tool is able....</div> <div>24 That is not a problem for the tool -- am I</div> <div>25 right? -- because it --</div>

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Page 182	<p style="text-align: center;">BATTLE</p> <p>1 Q. And then next to it in a column, the</p> <p>2 heading of which, all the way at the top, do you</p> <p>3 see, says "Types of Borrowers"?</p> <p>4 A. Yes.</p> <p>5 Q. Next to "Forbearance," there are two</p> <p>6 bullets in that column.</p> <p>7 Do you see those?</p> <p>8 A. Yes, I do.</p> <p>9 Q. Can you read those --</p> <p>10 A. Sure.</p> <p>11 Q. -- two bullets.</p> <p>12 A. (Reading:) Forbearance should only be</p> <p>13 considered after it was determined that no lower</p> <p>14 payment option is acceptable and borrower is not</p> <p>15 eligible for any deferments. Forbearance can be</p> <p>16 used to bring account current while customer is</p> <p>17 addressing long-term solution.</p> <p>18 Q. Does the use of forbearance described in</p> <p>19 those bullets accord with Department policy?</p> <p>20 A. Yes.</p> <p>21 Q. Is it possible to apply for forbearance</p> <p>22 without calling a servicer?</p> <p>23 A. Yes, there are instances where a</p> <p>24 forbearance can be applied without calling the</p> <p>25</p>
Page 183	<p style="text-align: center;">BATTLE</p> <p>1 servicer.</p> <p>2 Q. And how would a borrower do that?</p> <p>3 A. Okay. Let me go back.</p> <p>4 Can you give some specifics about, when</p> <p>5 you mean a forbearance can be applied without</p> <p>6 contacting the servicer.</p> <p>7 Q. Oh -- can a borrower request a forbearance</p> <p>8 without making a phone call to the servicer or</p> <p>9 talking to the servicer on the phone?</p> <p>10 A. We are speaking about a borrower making a</p> <p>11 request. Then the borrower can contact the</p> <p>12 servicer, either in writing or a phone call, are the</p> <p>13 ways that -- there has to be some contact for a</p> <p>14 forbearance to be applied.</p> <p>15 Q. That makes sense.</p> <p>16 Is it possible for a borrower to apply for</p> <p>17 a forbearance through servicer websites?</p> <p>18 A. Yes.</p> <p>19 Q. And in that circumstance, could a borrower</p> <p>20 obtain a forbearance without speaking on the phone</p> <p>21 with the servicer?</p> <p>22 A. Yes; in that circumstance it could, yes.</p> <p>23 Q. And in that circumstance, how does the</p> <p>24 Department ensure that borrowers are given</p> <p>25</p>
Page 184	<p style="text-align: center;">BATTLE</p> <p>1 information about other options they may have for</p> <p>2 managing their loans?</p> <p>3 A. We would hope that the servicing tools are</p> <p>4 robust enough to be able to allow for appropriate</p> <p>5 navigation so that borrowers are just not allowed to</p> <p>6 apply for forbearance without appropriate</p> <p>7 counseling.</p> <p>8 So if the tools allow for some level of</p> <p>9 communication or information about other options</p> <p>10 other than forbearance, then it can still be applied</p> <p>11 over the website.</p> <p>12 So there's still an expectation that</p> <p>13 borrowers would get appropriately notified about</p> <p>14 other options, even if they used the online tools.</p> <p>15 Q. When you say borrowers would be</p> <p>16 appropriately notified, are you talking about</p> <p>17 written disclosures of some kind?</p> <p>18 A. Either written disclosures or even through</p> <p>19 the website itself -- through the navigation itself.</p> <p>20 Q. So is one way the Department ensures that</p> <p>21 borrowers get information about repayment options</p> <p>22 through written disclosures?</p> <p>23 A. Sure, that's one way -- or electronically,</p> <p>24 sure.</p> <p>25</p>
Page 185	<p style="text-align: center;">BATTLE</p> <p>1 Q. Electronically on the web --</p> <p>2 A. Yes.</p> <p>3 Q. -- potentially?</p> <p>4 A. Either one of those ways, sure.</p> <p>5 Q. Or through various servicer notices?</p> <p>6 A. Through notices, through the websites,</p> <p>7 or -- and, of course, through phone calls.</p> <p>8 Q. So the Department doesn't rely exclusively</p> <p>9 on phone calls to provide information to borrowers</p> <p>10 about repayment options?</p> <p>11 A. Oh, not -- yeah, that's one way to notify</p> <p>12 a borrower, sure.</p> <p>13 Q. Through the phone?</p> <p>14 A. Through the phone, sure.</p> <p>15 Q. But also there are ways to do it through</p> <p>16 other disclosures?</p> <p>17 A. The tools or other disclosures, sure.</p> <p>18 Q. Ms. Matthews asked you about the benefits</p> <p>19 of income-driven repayment plans.</p> <p>20 A. Yes.</p> <p>21 Q. Are there any downsides in income-driven</p> <p>22 repayment plans from the Department's perspective?</p> <p>23 A. Downsides from...?</p> <p>24 Q. For borrowers.</p> <p>25</p>

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BATTLE
CERTIFICATE

I, SUSAN ASHE, a Registered Merit Reporter and Notary Public, hereby certify that the foregoing is a true and accurate transcript of the deposition of said witness, who was first duly sworn by me on the date and place hereinbefore set forth.

I FURTHER CERTIFY that I am neither attorney nor counsel, nor related to or employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed in this action, nor am I financially interested in this case.

Dated this 6th day of June, 2018.



Susan Ashe, Notary Public
of the District of Columbia
My commission expires: May 31, 2022.